

Date: January 6, 2006
From: Idaho Department of Commerce and Labor
Research & Analysis Bureau
Att: Manuel Leon, Research Analyst Supervisor

Subject: December 2005 Employment and Unemployment Situation

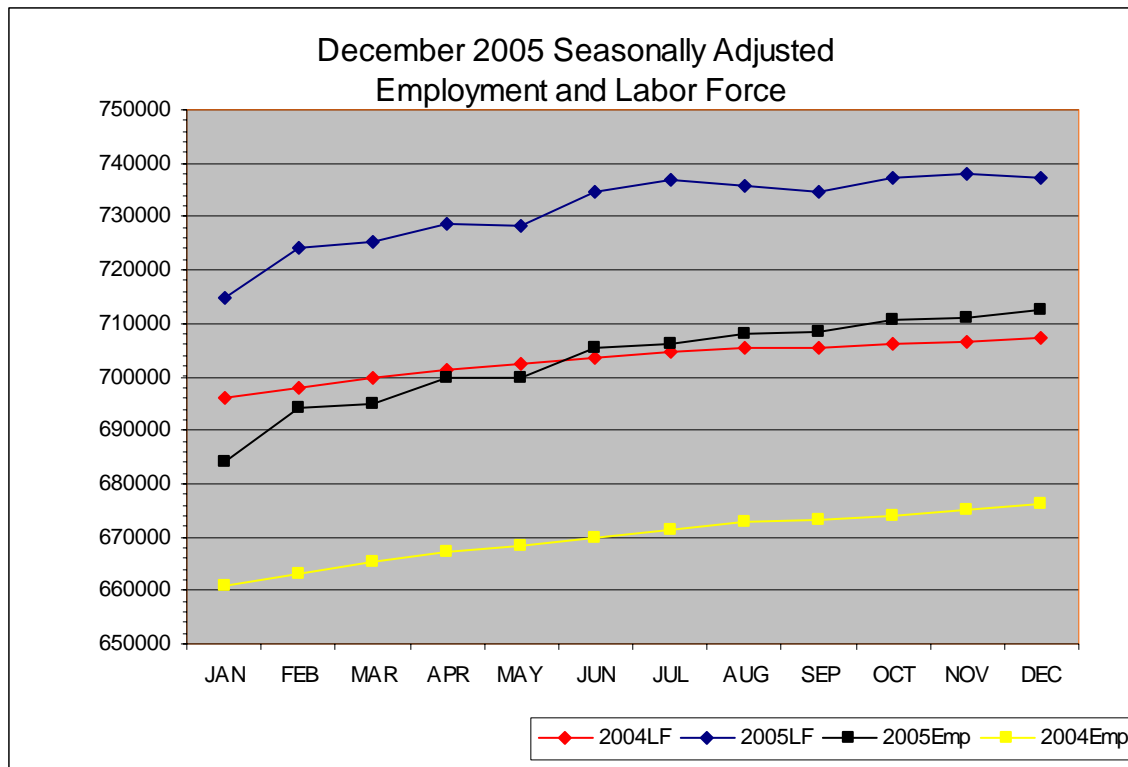
Overview

Seasonally adjusted employment in December 2005 was 36,500 higher than a year ago, and unemployment was 6,300 lower. The December unemployment rate of 3.4 percent was three tenths of a percent lower than in November and one percent lower than a year ago. The year-to-year employment gain was 5.4 percent compared to 2.4 percent in December 2004. The preliminary nonfarm employment for December 2005 showed strong year-to-year increases in the following sectors of the economy: Construction, Manufacturing, Retail, Financial, Professional and Business Services, Health Services, Leisure and Hospitality, and in Accommodation and Food Services.

December 2005 Employment Situation

Seasonally adjusted employment in December 2005 showed a moderate increase compared to November. Employment in December increased by 1,750 compared to November while the labor force decreased by 500. By comparison, from November to December 2004, employment increased by 1,100 and the labor force increased by 600.

The graph below shows seasonally adjusted employment and labor force for 2004 and 2005. Two features of the graph deserve comment. First, there was continuing employment growth throughout 2005. Second, employment growth decreased sharply in the second half of the year. From December 2004 to June 2005, employment grew by 29,400; while from June 2005 to December 2005, employment grew by 7,100. Employment grew incrementally month by month in the second half of the year compared to large growth spurts in the first half of the year.



The graph below shows the percent year-to-year employment changes for December from 2000 to 2005. In December 2005, the year-to-year employment gain was a strong 5.3 percent. The December 2005 employment gain was more than twice that in December 2004. Indeed, the graph clearly shows that the employment gain in December was by far the best since 2000.

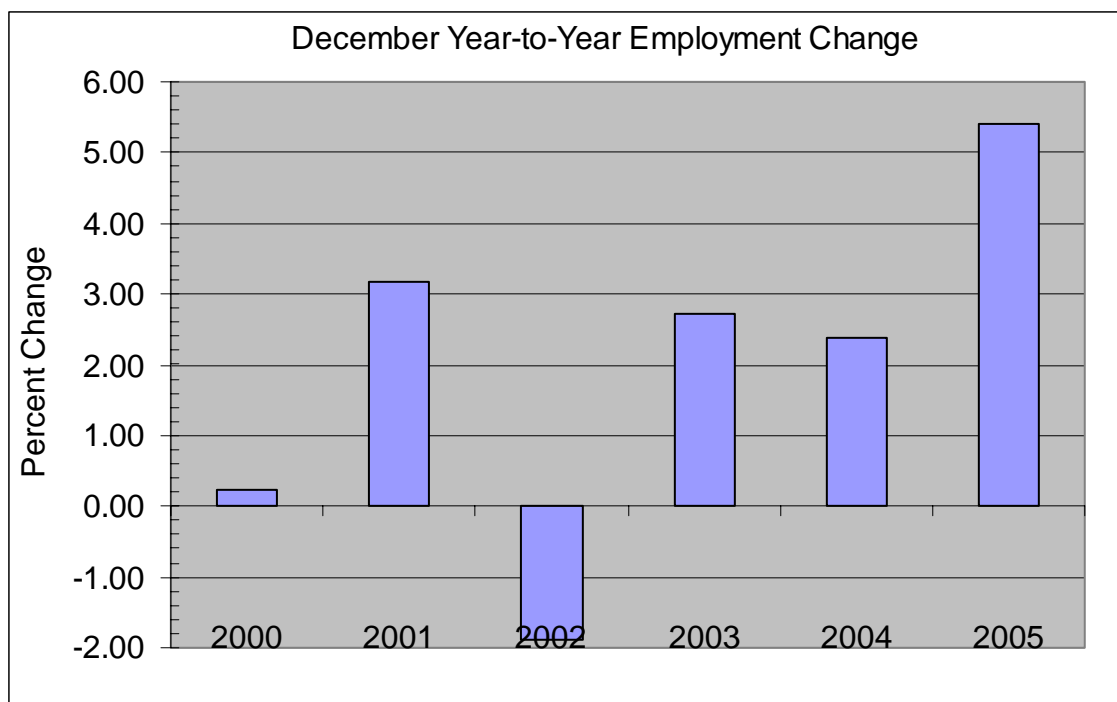


Table 1 below is a summary of the changes in the labor force from the previous month and from the same month in the previous year.

TABLE 1: Monthly and year-to-year changes in the labor force.

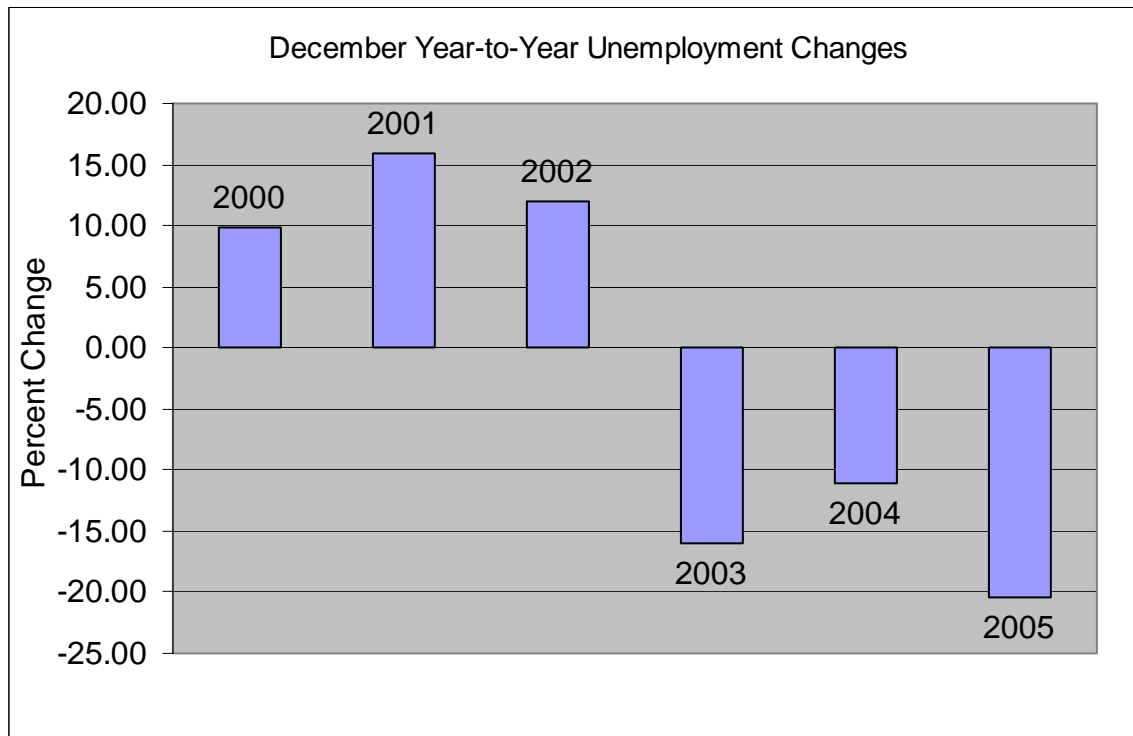
	Dec 2005	Nov 2005	Dec 2004	Change from Last Mo	Change from Last Yr
LABOR FORCE	737,400	737,900	707,200	-500	29,500
UNEMPLOYED	24,700	26,950	31,000	-2,250	-6,300
% UNEMPLOYED	3.4	3.7	4.4	-0.3	-1.0
EMPLOYED	712,700	710,950	676,200	1,750	36,500

December 2005 Unemployment Situation

Unemployment in December decreased by 2,250 compared to November. The December unemployment rate of 3.4 percent was three tenths of a percent lower than in November and one percent lower than in December 2004. Over the year, unemployment was 6,300 lower than in December 2004. December unemployment claims without earnings totaled 11,300; 1,650 (12.8 percent) lower than in December 2004.

The graph below shows the percent year-to-year unemployment changes for December from 2000 to 2005. In December 2005, the year-to-

year decrease in unemployment was a strong 20.4 percent; a far greater decrease than in 2004 and 2003.



January Forecast

In Idaho, employment in the fourth quarter is largely driven by seasonal factors; nevertheless, employment continued to increase in small increments during the fourth quarter. December employment set a new record for any December since 1978. Employment growth is expected to continue in January led by increases in the Retail Sector and other sectors associated with winter recreational activities.